



## NCUA Media Release

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# NCUA Places Borinquen Federal Credit Union into Conservatorship

**Member Deposits Insured up to \$250,000; Member Services Uninterrupted**

**ALEXANDRIA, Va. (June 24, 2011)** – The National Credit Union Administration (NCUA) today assumed control of service and operations at Borinquen Federal Credit Union of Philadelphia. While continuing normal member services, NCUA will work to resolve issues affecting the institution's safety and soundness.

Deposits at Borinquen Federal Credit Union remain protected. Administered by NCUA, the National Credit Union Share Insurance Fund (NCUSIF) continues to insure individual accounts at Borinquen Federal Credit Union up to \$250,000. The NCUSIF, like the FDIC's Deposit Insurance Fund, has the backing of the full faith and credit of the U.S. Government.

With \$7 million in assets according to its most recent Call Report, Borinquen Federal Credit Union is a full-service financial institution that has served a low-income community in Philadelphia for 37 years. Service to Borinquen Federal Credit Union's 8,600 members will continue uninterrupted. Members can continue to conduct normal financial transactions—deposit and access funds, make loan payments, and use shares.

The decision to conserve a credit union enables the institution to continue regular operations with expert management in place, correcting previous service and operational weaknesses. During conservatorship, members may therefore continue to conduct business at the credit union.

The Federal Credit Union Act authorizes the NCUA Board to appoint itself conservator when necessary to conserve the assets of a federally insured credit union, protect members' interests, or protect the NCUSIF. Borinquen Federal Credit Union is the seventh federally insured credit union placed into conservatorship during 2011.

Members who have questions about the conservatorship may review the Borinquen Federal Credit Union Frequently Asked Questions document attached to this release and found at [click here](#).

*NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.*

- NCUA -

## **Borinquen Federal Credit Union Frequently Asked Questions**

### Is my money safe and secure?

Yes, member accounts at Borinquen Federal Credit Union remain safe and fully insured up to the maximums established in federal law.

The National Credit Union Share Insurance Fund (NCUSIF) insures individual accounts up to \$250,000 and joint accounts up to \$250,000 per member. The NCUSIF also separately protects IRA and KEOGH retirement accounts up to \$250,000.

The Share Insurance Estimator (<http://webapps.ncua.gov/ins/>) allows individuals to estimate their share insurance coverage. Once an individual inputs the required data, the Share Insurance Estimator produces a report with detailed explanations of insurance coverage.

Members with additional questions about their insurance coverage may contact the National Credit Union Administration's Consumer Assistance Center toll free at 800-755-1030. The center answers calls Monday through Friday between 8:00 a.m. and 6:00 p.m. Eastern. Individuals may also visit the [MyCreditUnion.gov](http://www.mycreditunion.gov) website (<http://www.mycreditunion.gov/protect/Pages/Is-My-Money-Safe-in-a-Credit-Union.aspx>) at any time for more information about insurance coverage.

### What is the current status of Borinquen Federal Credit Union?

The National Credit Union Administration (NCUA) placed Borinquen Federal Credit Union into conservatorship on June 24, 2011.

In conservatorship, NCUA's priority is to protect the assets of the members of Borinquen Federal Credit Union while working to maintain safe-and-sound credit union operations.

### What is the National Credit Union Administration?

An agency of the federal government, NCUA, among other things, operates and manages the NCUSIF. The NCUSIF insures accounts at all federal credit unions including Borinquen Federal Credit Union.

### What is a conservatorship?

A conservatorship means that NCUA has assumed control of a credit union in order to ensure a credit union's financial stability and safe-and-sound operation. In a conservatorship, NCUA works to address issues related to a credit union's operations and financial condition while maintaining member service.

Can I still conduct business at Borinquen Federal Credit Union?

Yes, Borinquen Federal Credit Union will remain open during the conservatorship.

What are NCUA's plans for operations at Borinquen Federal Credit Union?

Through a conservatorship, NCUA seeks to fix operating issues at a credit union with a goal of protecting member assets and seeking a resolution to identified problems.

How many members and branches are affected by the conservatorship?

Borinquen Federal Credit Union has one main office, and service to the credit union's more than 8,600 members continues.

What is the field of membership for Borinquen Federal Credit Union?

The credit union has a community charter to serve persons who live in a geographic area in Philadelphia, Pennsylvania, bounded as follows: Olney Avenue on the north, Spring Garden Street on the south, 10th Street on the west, and Front Street on the east. Individuals who regularly work, worship, go to school, perform volunteer services, or participate in associations headquartered in the above area may join the credit union. People participating in programs to alleviate poverty or distress which are located in the above area may also become members, as can incorporated and unincorporated organizations located in the above area or maintaining a facility in the above area.

How big is Borinquen Federal Credit Union?

The credit union has approximately \$7 million in assets.

How long will this conservatorship last?

In working to resolve the issues affecting Borinquen Federal Credit Union, NCUA's top priority is to protect the interests of the credit union's members. NCUA has no set timeframe for completing this resolution process.

What are NCUA's plans for the future of Borinquen Federal Credit Union?

NCUA has made no decisions about the long-term future of the credit union. Continued credit union service for the members, however, is a priority.